

To <innovationmetrics@doc.gov>

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bcc

Subject FW: Innovation challenges re: continued U.S. Competitiveness

I thought you would be interested in the attached. I am available for further input to your study if you are interested.

Paul

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From: Paul DiGiammarino

Sent: Saturday, May 12, 2007 8:36 PM **To:** helen_walters@businessweek.com

Subject: Innovation challenges re: continued U.S. Competitiveness

Helen, I found your April 20 BW article entitled "An Official Measure of Innovation" intriguing. Please see the attached McKinsey article from its November, 2006 publication (Anaqua has rights to distribute a limited number of copies). This article, together with one by IBM last year, Expanding the Innovation Horizon Global CEO Study 2006, calls into question a serious dilemma for our country: Are we transforming our approach to innovation quickly enough to maintain our leadership position in today's global marketplace?

For centuries, U.S. companies have achieved competitive advantage by protecting and leveraging their own resources to outwit others. Yet, as the McKinsey and IBM studies conclude, the top sources for the best ideas now lie outside the enterprise; and there is considerable concern about our country's ability to adapt more collaborative business models needed to achieve global leadership through innovation.

As CEO of a company helping grow and protect IP for some of the leading global brands such as Microsoft, Ford, Coca-Cola and Kimberly Clark, my view is the United States is facing an unprecedented challenge to maintain its current standard of living primarily based on its ability to innovate. If we consider the McKinsey prescribed ingredients for successful innovation then our metrics should include the following:

A measure of collaboration between company, customers, suppliers and partners

- 2. A measure of progress achieved toward providing and using knowledge assets across businesses, government and educational institutions
- 3. A measure of "breakthrough innovation" achieved

In my view, companies have the will, at the CEO and director level, to do whatever it takes to up their level of innovation. The challenge is overcoming the inertia of the many employees, cultures and existing processes tuned to a different set of principles. But where there is a will there is a way. I applaud the work by the Commerce Department to advance this very worthy cause. My hope is that this will produce enormous benefit for our children. With that in mind, I refer you to one last article; Metrics: You are What You Measure by John R. Hauser and Gerald M. Katz. If we define the proper metrics than we will most certainly influence our ability to achieve the outcome desired by the Department of Commerce.

Unfortunately I didn't know about the May 11 deadline for providing input for the government's innovation measurement project so I missed the deadline. In the event you continue to follow this initiative Helen, I would be happy to share additional thoughts if you are interested.

Best Regards,

Paul

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